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Attorney for Plaintiff

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA AT ANCHORAGE

FOREST OIL CORPORATION and PACIFIC ENERGY ALASKA OPERATING LLC,)))
Plaintiffs, v.)) AFFIDAVIT OF DARREN KATIO)
UNION OIL COMPANY OF CALIFORNIA d/b/a UNOCAL ALASKA, Defendant.))))
) Case: 3:05-cv-00078-RRB
STATE OF CALIFORNIA COUNTY OF <u>LOS ANGELES</u>)) ss)

I, Darren Katic, being first duly sworn, depose and aver as follows:

- 1. I am President of Pacific Energy Resources Ltd. (PERL), the parent company of Pacific Energy Alaska Operating LLC (PEAO), the co-plaintiff in this case. I have personal knowledge of all matters set forth in this affidavit.
- 2. I participated in the negotiations of the purchase and sale transaction between Forest Oil Corporation and its subsidiaries, Forest Alaska Holding LLC and Forest Alaska Operating LLC, and PERL, whereby PERL purchased Forest Alaska Operating LLC (now co-plaintiff PEAO) and the other Alaska assets owned by Forest Oil Corporation.
- 3. During the course of PERL's negotiations to purchase Forest Alaska Operating LLC, Forest Oil Corporation disclosed that it did not intend to include the right to receive any moneys resulting from the audit adjustments under the Trading Bay agreements for all periods prior to 7:00 a.m. Alaska local time on January 1, 2007, being the effective date of the sale of Forest Alaska Operating LLC to PERL. The audit adjustments that accrued prior to the effective date represent Forest Oil's damage claims in this case.

DARREN KATIC

SUBSCRIBED AND SWORN TO before me this 27 day of May,

2008, at LONG BEACH, CALIFORNIA



Notary Public in and for California

My Commission Expires: JULY 16, 2011